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SUBJECT: SEOUL - PRESS BULLETIN; December 9, 2009

TOP HEADLINES

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Chosun Ilbo  
Blue House to Overhaul Military's Weapons  
Procurement System to Ensure Transparency

JoongAng Ilbo  
Ruling Grand National Party (GNP) Backtracks  
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Dong-a Ilbo  
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President Lee Offers to Provide Flu Vaccines to N. Korea amid  
Reports of Rapid Spread of New Flu Virus in the North

Hankyoreh Shinmun, Segye Ilbo, Seoul Shinmun  
Ruling GNP Railroads Budget for Four-River Restoration Project

DOMESTIC DEVELOPMENTS

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The ROKG yesterday finalized a plan to send up to 350 soldiers to  
Afghanistan to protect civilian workers in Parwan Province from July  
1, 2010 to Dec. 31, 2012. The plan, pending approval at the National  
Assembly, will be submitted for review this week. (All)

INTERNATIONAL NEWS

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U.S. Special Representative for North Korea Policy Stephen Bosworth  
arrived in Pyongyang yesterday, beginning his three-day trip for  
bilateral talks with North Korea to persuade the North to return to  
the Six-Party Talks. (All)

A senior U.S. administration official, in a Dec. 7 press briefing,  
said that if North Korea does not return to the Six-Party Talks, it  
will reinforce the intention of the international community to  
continue a very strong enforcement of Resolution 1874 and other

Security Council resolutions against North Korea. (Chosun, JoongAng, Seoul)

#### MEDIA ANALYSIS

##### -Ambassador Bosworth's Visit to N. Korea

All ROK media covered U.S. Special Representative for North Korea Policy Stephen Bosworth's arrival in Pyongyang yesterday, portraying him as the first U.S. envoy to sit down for senior-level bilateral talks with North Korea under the Obama Administration. According to media reports, while in Pyongyang for three days, Ambassador Bosworth is expected to meet with First Vice Foreign Minister Kang Sok-ju to persuade the North to return to the Six-Party Talks and to reaffirm its commitment to the September 19 Joint Statement.

Conservative Chosun Ilbo quoted an ROKG official as saying: "Chances seem slim for Ambassador Bosworth to meet North Korean leader Kim Jong-il."

Most media noted Dec. 7 press remarks by a senior U.S. administration official, in which he said: "The purpose of these talks is to determine whether they're willing to reaffirm the 2005 joint statement and return to the (Six-Party) Talks. This is ... simply to have an opportunity to determine what the North's intentions are with respect to those two issues." He was further

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quoted: "(Ambassador Bosworth) is definitely not carrying any additional inducements. ... We don't intend to reward North Korea simply for going back to doing something that it had previously committed to do. "

Chosun Ilbo interpreted these remarks as implying that there will be no discussion of a peace treaty replacing the armistice on the Korean Peninsula, which the North has demanded as a precondition to returning to the Six-Party Talks. Conservative Dong-a Ilbo saw the remarks as reaffirming Washington's firm stance toward North Korea.

#### OPINIONS/EDITORIALS

##### SAFETY OF TROOPS IN AFGHANISTAN MUST BE TOP PRIORITY (Chosun Ilbo, December 9, 2009, Page 39)

The government finalized its Afghan troop deployment plan on Tuesday, deciding to dispatch around 100 civilian reconstruction workers, 40 police officers and around 350 soldiers to Parwan Province north of Kabul. The personnel will be in charge of administrative and medical support, agricultural and rural development and vocational and police training.

The troops will be deployed in Afghanistan from July 1, 2010 until Dec. 31, 2012 and their main mission will be protecting the Korean civilian aid workers and trainers. Parwan Province is not a Taliban stronghold and is considered relatively safe among the 34 provinces, while its proximity to a U.S. Air Force Base in Bagram makes it easy to fly in supplies should emergencies arise. Parwan Province is 10 times the size of Seoul, and 70 percent of its terrain is covered by rugged mountains. Recently, there have been attacks by rockets, mortars and improvised explosive devices.

Most of the soldiers being deployed there will be picked from the special forces units, and armored personnel carriers and UH-60 Black Hawk transport helicopters mounted with machine guns will also be sent to protect the Korean personnel because support from American and other multinational forces would not be readily available.

The greatest concern is the safety of the personnel. The government must take preemptive diplomatic steps to explain to its Arab allies that the mission of the contingent is to assist in reconstruction efforts, and that the troops are being sent to protect the Korean

civilian aid workers.

As it reviews the deployment plan, the National Assembly must make sure that all measures have been taken by the military to ensure the safety of personnel. The main opposition Democratic Party is against the plan and is taking issue with the two-and-a-half-year deployment schedule, which differs from the previous administration's approach of renewing the mission every year. Germany, which has set its troop deployment schedule at one year renewable, is experiencing a massive headache every time its parliament has to ratify an extension, while troops face increased pressure and attacks in Afghanistan when that time comes.

The Roh Moo-hyun Administration deployed the Dongui (medical) and Dasan (engineering) units, as well as Air Force transport personnel, to Afghanistan between 2001 and 2002, when the DP was the ruling party. The Roh Administration faced considerable opposition to the troop dispatch but decided it needed to send them in view of the international fight against terrorism and the importance of the Korea-U.S. alliance. Rather than flatly rejecting the new troop deployment plan, the DP must tap into its experience as the former ruling party and suggest constructive ways to ensure the safety of the Korean civilian workers and soldiers and protect the national interest.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

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ROK CONTRIBUTION TO AFGHANISTAN SERVES NATIONAL INTEREST  
(Dong-a Ilbo, December 9, Page 35)

The ROKG yesterday finalized a plan to send up to 350 soldiers to Afghanistan. If the National Assembly approves the plan, the ROK will join in international peace-building and reconstruction efforts by sending 140 Provincial Reconstruction Team (PRT) personnel and (350) troops to protect them to Afghanistan. This will add a new chapter to the ROK's international peace-building efforts. The ROK had deployed the Zaytun Unit in Iraq, the Dongmyeong Unit in Lebanon and the Cheonghae Unit in Somalia. The ROK's contributions serve national interest and enhance national status as well.

The Afghan war has entered into a new phase after President Obama announced a plan to send an additional 30,000 troops to Afghanistan. The international community is rallying to win an eight-year war against the Taliban which has sheltered terrorist organizations. The North Atlantic Treaty Organization (NATO) also pledged to deploy an additional 7,000 troops.

We should be voluntarily involved in the peace-building and reconstruction process of the war-torn country. The ROK is the world's 13th largest economic power. We are a member of the Organization for Economic Cooperation and Development (OECD) and will host next year's G20 summit. If the ROK just touts itself as one of the world's leading countries without making any contributions to international peace, it will not be genuinely treated as such.

After a field survey, the ROKG established a plan to provide aid and send troops to Afghanistan. The ROK's Provincial Reconstruction Team (PRT) will take charge of strengthening Afghanistan's administrative ability, assisting its health care and agricultural development, providing vocational training, and training the Afghan police. This assistance is surely necessary to root out al-Qaida and the Taliban and to help Afghanistan stand on its own feet. Although Parwan Province, where the PRT will be stationed, is said to be a relatively safe region, we need to prepare for the worst possible situation by sending troops to protect civilians there. In 2007, we saw ROK aid workers kidnapped in Afghanistan. We cannot rule out the possibility that with the ROK's troop contribution, the Taliban may attempt a terrorist attack on ROK civilians.

The opposition parties, including the Democratic Party, which expressed their opposition to the troop dispatch, should address the

troop dispatch bill from the perspective of our national interests and international responsibility. The Uri Party, the predecessor of the Democratic Party, supported the deployment of the Zaytun Unit to Iraq five years ago. A total of 43 nations, more than the number of nations contributing to the war in Iraq, have sent their combat troops and reconstruction teams to Afghanistan. The ROK is not in a position to sit idly by. In a situation where we have to brace for the North Korean threat in cooperation with the U.S., if we are passive in U.S.-led anti-terrorism efforts and peacekeeping activities, we could lose something more precious.

#### FEATURES

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KIM JONG-IL 'HAS S-E-C-R-E-T UNDERGROUND ESCAPE ROUTE'  
(Chosun Ilbo, December 9, 2009, Page 4)

By Reporter Ahn Yong-hyun

Kim Jong-il has a network of s-e-c-r-e-t tunnels as an escape route in case of emergency, according to a prominent defector. Hwang Jang-Yop (86), a former secretary of the North Korean Workers Party, on Sunday told the Seoul-based Free North Korea Radio run by a group of defectors, "About 300 m below ground in Pyongyang, there exists a second underground world which is different from the subway level."

The tunnels stretch for some 40 to 50 km around Pyongyang linking to Nampo and Sunchon, Hwang said.

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"The chief security guard for the subway construction site came and invited me to the site, asking me to mediate in a scuffle between soldiers and college students," Hwang said. "After I went down into the subway, I found another tunnel further down below." He said there are countless such s-e-c-r-e-t tunnels and underground facilities in Pyongyang. Hwang is a former president of Kim Il Sung University.

He said there are clean spring water and green grass in one tunnel that leads to Mt. Jamo in Sunchon, about 40 km from Pyongyang. Another tunnel extends to Yongwon near Mt. Myohyang, about 50 km from Pyongyang.

Yet another links the Mt. Cholbong recreation center in Samsok District in Pyongyang to the port of Nampo, which would allow leaders to escape to China in an emergency, he said.

"North Korea started building the tunnels right after the armistice" that halted the Korean War, Hwang said. "They were so elaborately built that a visiting Soviet military delegation marveled at them."

Pyongyang also has a straightforward subway 100-150 m-deep that opened in 1973. It is touted to foreign visitors as a tourist attraction but could be converted into a huge underground bunker in time of war.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

CHEONG WA DAE AIMS TO END GRAFT IN DEFENSE PROCUREMENT  
(Chosun Ilbo, December 9, 2009, Front page)

By Reporters Ju Yong-joong

Cheong Wa Dae is working out reforms to defense procurement to end frequent irregularities, an official said Tuesday. Under the plan, the roles of the Defense Ministry and the Defense Acquisition Program Administration (DAPA) will be reorganized.

A Cheong Wa Dae official said the plan, to be announced early next year, will focus on ending the long-standing monopoly of active-duty and retired military officers in the defense procurement process, which ranges from budget formulation to weapons procurement. It will also focus on increasing transparency.

DAPA has resisted the ministry's efforts to regain the authority to formulate the defense procurement budget, work out mid- and long-term defense programs, and supervise the Agency for Defense Development.

DAPA was launched as a spin-off agency of the ministry in January 2006 during the Roh Moo-hyun Administration as part of defense reforms and to prevent corruption. But the official said irregularities in defense procurement have continued even after the inauguration of the Lee Myung-bak Administration.

In a Cabinet meeting, President Lee Myung-bak said, "There is a risk of systematic corruption under the current system of weapons procurement and conscription administration" and called for a "drastic" reform plan. "I believe there is a way to save money and improve results" at the same time, he added. He added that the Defense Ministry should work together with related agencies to come up with a comprehensive measure.

The official said a taskforce is working out "strong" ways of revamping the defense procurement system. The official added that the Defense Acquisition Program Administration will be revamped at the same level as the National Tax Service restructuring which the government carried out this year.

(This is a translation prepared by the newspaper. We have compared the English version on the website with the Korean version and made

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some changes to make them identical.)

#### NORTH KOREA'S FREE TRADE BASE PLANS FOR RYUCHO ISLAND SIGNAL REFORM

(Hankyoreh Shinmun, December 9, 2009, Pages 1 and 6: Excerpts)

By Correspondents Park Min-hee and Kwon Tae-ho

Experts say North Korea is looking to strengthen international economic ties and attract foreign investment

North Korea is reportedly planning the creation of a free trade base on Ryuchon Island near Sinuiju and its development as a new special economic district. Analysts are interpreting this as a signal from the country that it plans to renew efforts at building a special economic district in Sinuiju, the largest gateway city on its border with China.

In an interview with Hankyoreh on Tuesday, a source in Dandong, who wished to remain unnamed and has long worked with North Korea and is familiar with the North Korean situation, reported hearing recently from senior officials in charge of North Korea's external trade that preparations are underway for the development of Ryuchon Island as part of a special economic zone. The source said, "As a result of Ryuchon Island's small area (2.82 square kilometers), it looks as if they are planning to build a free trade base rather than a large-scale complex and to display wares coming out of North Korea there so that people can buy them freely." The source added, "They also plan to build a large dock, and there is the added advantage of China's Langtou Harbor across the way."

It is also reported that core parties in the North Korean government have decided on the plan and responsible parties within the North Korean government who had been appointed have already begun attracting foreign capital. Observers are predicting that if these reforms are successful, there is a strong chance that economic development will expand to the Sinuiju area.

Observers have also learned that the North Korean government will be establishing even more measures in order to create a greater ripple effect to further open up Rason, a city in North Hamgyong Province, for investment in conjunction with the Chinese government's development of the Chang-Ji-Tu (Changchun, Jilin and Tuman River basin) Pilot Zone.

These trends are a sign that North Korea has begun a drive for economic development through openness and the attraction of foreign investment. Observers are saying this determination towards development appears to have been present in North Korea for some time. Sources in Dandong say that Chinese factory equipment and construction materials such as H-beams have been taken into North Korea through Dandong at an unprecedented scale since early last year, lending support to claims that North Korea has already set a blueprint for its economic development. Analysts are also saying this move from North Korea could have a favorable effect on the North Korea-U.S. dialogue currently in progress.

Chinese officials familiar with the North Korea situation say that North Korea's recent currency reform should be interpreted as a sign of the active pursuit of a "North Korean-style market economy" rather than a rollback of economic reforms in the country. Another source acquainted with trends among senior North Korean officials said that North Korea has been "very active recently about joining forces with China to develop the border region, and the central government is preparing specific plans."

The source added, "It is clear that economic reforms will move forward after this currency reform."

It is also known that North Korea recently created a Foreign Investment Board and has been making active attempts to attract foreign investment. Scott Snyder, director of the Center for U.S.-Korea Policy at the Asia Foundation, visited North Korea in

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late November as a member of a U.S. Council on Foreign Relations Task Force on Korean Peninsula policy and announced what he heard from North Korean authorities during his visit in a post Monday (local time) on the web site GlobalSecurity.org.

The head of North Korea's Foreign Investment Board who met with Snyder's group actively informed them about plans to attract foreign investment,. These plans include a variety of strategies ranging from (dealing with) the issue of repatriation of profits earned by foreign investment companies in North Korea to various tax benefits.

North Korea also offered to set monthly wages at around 30 Euros (44.60 dollars). Snyder noted that this is lower than the monthly wage of 57.50 dollars currently paid to North Korean workers at the Kaesong Industrial Complex.

North Korean authorities also have plans to attract foreign investment to assist in building 100,000 housing units in Pyongyang, one of the tasks set in the country's plan for a "strong and powerful nation by 2012." Additionally, the country has proposed a plan to offer "special perks" related to the mining of North Korean natural resources to foreign companies interested in investing in the project.

Foreign companies are currently forbidden from engaging in new investment in North Korea as part of the sanctions set by United Nations Resolution 1874 in response to North Korea's nuclear test on May 25 of this year. Observers say North Korea's plan for attracting foreign investment can also be interpreted as a determination to reestablish relations with the international community in the future.

(This is a translation provided by the newspaper, and it is identical to the Korean version.)

U.S. APPROACH TO NORTH KOREA REFLECTS HARD SURFACE WITH FLEXIBLE CORE  
(Hankook Ilbo, December 9, 2009, Page 3)

By Washington Correspondent Hwang Yu-seok

The U.S. publicly says that there will be no meeting with Kim but does not rule out the possibility of extending Ambassador Bosworth's schedule in Pyongyang.

The U.S. administration's position on its dialogue with North Korea

appears resolute on the surface. The administration has emphasized that the U.S.-North Korea dialogue is only aimed at urging the North to rejoin the Six-Party Talks and implement denuclearization steps under the September 19 Joint Statement.

Right before U.S. Special Representative for North Korea Stephen Bosworth's visit to Pyongyang, Washington reiterated this position through its officials. State Department Spokesman Ian Kelly said, "I don't think he's seeking a meeting with (North Korean leader) Kim Jong-il." In other words, a meeting with Kim, which could raise doubts that this dialogue may be a "negotiation," is not a necessary condition (for Bosworth's visit), and the U.S. does not feel a need to request a meeting with Kim, either. Victor Cha, a professor at Georgetown University who served as Director for Asian Affairs at the National Security Council under the George W. Bush Administration, said that against North Korea's wishes, "President Barack Obama seems to have approved only one round of dialogue with the North."

The U.S. aims to get Pyongyang's clear response about denuclearization and a return to the Six-Party Talks. (Ambassador Bosworth's visit) is also intended to build justification for asking China, which has enormous leverage over North Korea, to apply strong sanctions against the North, in case (Washington) fails to persuade the North (to rejoin the multilateral talks.) Ahead of (Ambassador Bosworth's) bilateral talks with the North, a USG official made remarks on sanctions, saying that if the U.S. fails to persuade the North (to return to the Six-Party Talks,) it will consult (with the

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international community) on the need to impose additional sanctions against North Korea in addition to existing UN Resolutions. According to a December 8 report by Japan's Mainichi Shimbun, North Korea told U.S. experts on the Korean Peninsula who visited Pyongyang last month that it wants to sign a peace treaty (with the U.S.) while not mentioning the possibility of returning to the Six-Party Talks. This report may leave less room to maneuver for the U.S.

However, it seems that the U.S. expects good results (from the bilateral talks) despite its determined stance. This is evident when U.S. authorities did not rule out the possibility that Ambassador Bosworth's three-day stay may be extended, saying that the U.S. does not want to put a time line on his visit. This indicates that the U.S. could act in a flexible manner depending on how the North will respond. This U.S. position results from a symbolic meaning of Bosworth's visit as the first high-level U.S.-North Korea talks since the inauguration of the Obama Administration and a realistic judgment that sanctions alone cannot change North Korea.

U.S. experts on North Korea say that by demanding a peace treaty and the normalization of bilateral ties, North Korea is putting the cart before the horse. The U.S. experts, however, believe that these issues may be discussed from the perspective of a "comprehensive approach." The U.S. also may raise the need to take an "intermediary" step in order to restore mutual trust, much like it established the U.S. Interests Section in Cuba even though the U.S. remains hostile to (the government in) Cuba.

STEPHENS